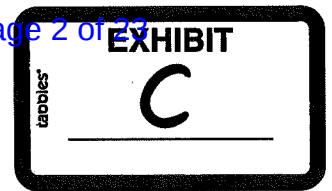


<div style="border: 2px solid black; padding: 5px; display: inline-block;"> EXHIBIT B </div>		PROPERTY LOSS NOTICE		DATE (MM/DD/YYYY) 09/01/2017	
AGENCY Borden Insurance P. O. Box 1066 Corpus Christi, TX 78403-1066			INSURED LOCATION CODE DATE OF LOSS AND TIME 08/25/17		AM PM
CONTACT NAME: Wally Goodman PHONE (A/C, No, Ext): 361-882-6543 FAX (A/C, No): 361-654-2008 E-MAIL ADDRESS: mail@bordenins.com CODE: SUBCODE:			PROPERTY / HOME POLICY CARRIER United National Insurance Co		NAIC CODE
AGENCY CUSTOMER ID: MUSTA-8			POLICY NUMBER MP0677815		
INSURED NAME OF INSURED (First, Middle, Last) Mustang Towers Council			INSURED'S MAILING ADDRESS of Co Owners Inc % CCMS, 200 S Alister Ste C Port Aransas, TX 78373		
DATE OF BIRTH FEIN (If applicable) MARITAL STATUS		PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input type="checkbox"/> CELL SECONDARY PHONE # <input type="checkbox"/> HOME <input checked="" type="checkbox"/> BUS <input type="checkbox"/> CELL 361-749-4141		PRIMARY E-MAIL ADDRESS: SECONDARY E-MAIL ADDRESS:	
NAME OF SPOUSE (First, Middle, Last) (if applicable) DATE OF BIRTH FEIN (If applicable) MARITAL STATUS			SPOUSE'S MAILING ADDRESS (if applicable) PRIMARY E-MAIL ADDRESS: SECONDARY E-MAIL ADDRESS:		
CONTACT <input checked="" type="checkbox"/> CONTACT INSURED					
NAME OF CONTACT (First, Middle, Last) Chuck Crawford			CONTACT'S MAILING ADDRESS % CCMS, 200 S Alister Ste C Port Aransas, TX 78373		
PRIMARY PHONE # <input type="checkbox"/> HOME <input type="checkbox"/> BUS <input checked="" type="checkbox"/> CELL SECONDARY PHONE # <input type="checkbox"/> HOME <input checked="" type="checkbox"/> BUS <input type="checkbox"/> CELL 361-813-7274 361-749-4141		WHEN TO CONTACT PRIMARY E-MAIL ADDRESS: chuck@ccmspa.com SECONDARY E-MAIL ADDRESS:			
LOSS					
LOCATION OF LOSS 6109 Highway 361 STREET: CITY, STATE, ZIP: Port Aransas, TX 78373 COUNTRY:				POLICE OR FIRE DEPARTMENT CONTACTED REPORT NUMBER	
DESCRIBE LOCATION OF LOSS IF NOT AT SPECIFIC STREET ADDRESS:					
KIND OF LOSS	FIRE <input type="checkbox"/>	LIGHTNING <input type="checkbox"/>	FLOOD <input type="checkbox"/>	WIND <input checked="" type="checkbox"/>	PROBABLE AMOUNT ENTIRE LOSS
DESCRIPTION OF LOSS & DAMAGE (Attach ACORD 101, Additional Remarks Schedule, if more space is required) Hurricane Harvey wind damage - Business Income & Excess wind maybe					
REPORTED BY			REPORTED TO		

7/9/2018

Note.html



10/18/2017 7:49:29 AM - Rosenfelt, Michelle (mrosenfe)
CLMS - 17004145

30 day letter

9/21/2017 11:03:55 AM - Kehs, Eric (ekehs)
CLMS - 17004145

ASSIGNED BRUSH

they will follow on wind damages and also on bi items needed per endorsement language.

9/21/2017 11:00:30 AM - Kehs, Eric (ekehs)
CLMS - 17004145

BI CLAIM MADE

Our policy does cover BI primary, with 7 day waiting period. Covg applies for bldg 1, primary. Issues could apply on covered causes/ buildings. Participants only get the coverage.

9/19/2017 8:32:32 AM - Wilkinson, Kate (wilkinson)
CLMS - 17004145

noted --

9/5/2017 2:07:35 PM - Kehs, Eric (ekehs)
CLMS - 17004145

TWIA ADJUSTER

Wayne called, he also said he does not see claim getting to our layer. I will diary a few weeks to follow, Wayne also has yet to inspect and will update us once he knows more.

9/5/2017 10:30:54 AM - Kehs, Eric (ekehs)
CLMS - 17004145

INSURED CALLED

The insd had little info on damage, suggested I call TWIA.
Wayne Walker wwalker@twia.org (737)-931-1700,

Called TWIA, l/m for Wayne.
claim # 1027766

9/4/2017 9:17:08 AM - Kehs, Eric (ekehs)
CLMS - 17004145

CALLED INSURED

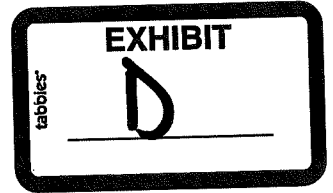
L/m for Chuck Crawford (361) 813-7274. Wind/ hail excluded on all bldgs except loc 1, bldg 1.

9/3/2017 8:36:03 AM - Wilkinson, Kate (wilkinson)
CLMS - 17004145

Eric

we have wind coverage over TWIA - we attached at 4.3M
contact insd and determine if there is EXTENSIVE damage if so, assign G Martin

UNIC003



FROM: Wilkinson, Kate <kwilkinson@global-indemnity.com>
 TO: Rosenfelt, Michelle
 CC: UAIClaims
 SENT: Thursday, October 12, 2017 9:36:44 AM Eastern Daylight Time
 SUBJECT: FW: 17004145 Mustang Tower
 ATTACHMENTS: Mustang Towers Rental Income Jun to Aug 2017.pdf;

We have the BI only on this matter. I can't tell from the attached exactly what the insd was making monthly on the rental's. Insured needs to submit a full BI loss for our review. We may need to assign this to our CPA at some point.

Kate

Kate Wilkinson
 Director - Claims
 Global Indemnity Group
A member of Global Indemnity
 P.O. Box 532
 Willow Grove, PA 19090
 P: 610-660-5445
 F: 610-660-8885
 E: kwilkinson@global-indemnity.com

From: Robert Soefje [<mailto:roberts@bcc-ltd.com>]
Sent: Wednesday, October 11, 2017 8:22 PM
To: Wilkinson, Kate <kwilkinson@global-indemnity.com>
Subject: RE: 17004145 Mustang Tower
Importance: High

Hello Kate,

I have made contact with Brenda Bensley the Account Representative for Mustang Tower. I have requested all needed info to address BI. To date attached is the only docs I received from her which is three months rental log for the tenants in the rental pool. Brenda stated TWIA has not supplied an estimate of damages but stated wind/water damages are approx. \$750,000.00.

I have also tried reaching the TWIA adjuster Wayne Walker but have not heard back to date. I will continue my attempts to secure the needed information.

Let me know if you have any additional handling instructions moving forward.

Sorry for the late response, I have been in field all day.

Thank you,

Robert Soefje
 BCC-LTD
 830-534-7512 Office

From: Wilkinson, Kate [<mailto:kwilkinson@global-indemnity.com>]
Sent: Wednesday, October 11, 2017 9:43 AM
To: Robert Soefje <roberts@bcc-ltd.com>
Cc: UAIClaims <claims@global-indemnity.com>
Subject: 17004145 Mustang Tower

Robert

The insured's agent emails us every few days for a status.
 Can you tell us anything about this loss? We are primary BI and excess WIND.
 Has the TWIA adjuster prepared an estimate??

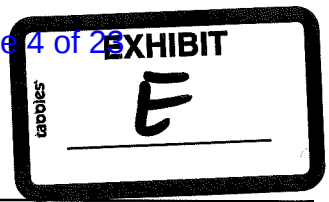
Thanks
 Kate

Kate Wilkinson
 Director - Claims
 Global Indemnity Group
A member of Global Indemnity
 P.O. Box 532
 Willow Grove, PA 19090
 P: 610-660-5445
 F: 610-660-8885
 E: kwilkinson@global-indemnity.com

This message is intended only for the addressee and may contain information that is confidential or privileged. Any use, dissemination, dist

UNIC00114

file:///S:/18000/18052.113%20-%20MUSTANG%20TOWERS/CLAIM%20FILE/Batch_1/... 7/9/2018

**Eberl Claims Service**

45 NE Loop 410, Suite 690
 San Antonio, TX 78216
 Phone (210) 348-5677 *** Fax (210) 348-5678

Summary for 1A: Main Building

Line Item Total	1,467,846.08
Material Sales Tax	42,550.05
Subtotal	1,510,396.13
Overhead	97,292.71
Profit	107,023.18
Replacement Cost Value	\$1,714,712.02
Less Depreciation	(198,866.25)
Actual Cash Value	\$1,515,845.77
Less Deductible	(43,970.00)
Net Claim	\$1,471,875.77
Total Depreciation	198,866.25
Less Non-Recoverable Depreciation	<5,000.53>
Total Recoverable Depreciation	193,865.72
Net Claim if Depreciation is Recovered	\$1,665,741.49

 Mike Pearson



FROM: Wilkinson, Kate<kwilkinson@global-indemnity.com>
TO: UAIClaims
SENT: Tuesday, January 9, 2018 10:04:53 AM Eastern Standard Time
SUBJECT: FW: Mustang Towers Council of Co-Owners, Inc. - DOL - August 25,2017; Hurricane Harvey - TWIA Claim No. 1027766; TWIA Claim No. 17004145;Lloyds Claim No. 914142-B; Wright National Claim No. 170013416
ATTACHMENTS: image001.jpg;

Kate Wilkinson
Director - Claims
Global Indemnity Group
A member of Global Indemnity
P.O. Box 532
Willow Grove, PA 19090
P: 610-660-5445
F: 610-660-8885
E: kwilkinson@global-indemnity.com

From: Fred Samudio [mailto:Fred@CCMSResorts.com]
Sent: Tuesday, January 09, 2018 9:36 AM
To: Victor Fedosseenko (victorf@pibadjusters.com) <victorf@pibadjusters.com>; Brian Ingles (bingles@twia.org) <bingles@twia.org>; Wilkinson, Kate <kwilkinson@global-indemnity.com>; Alan Harrison (alanharrison@pinncom.com) <alanharrison@pinncom.com>; Mitchell, Lynne (lmitchell@mscforensics.com) <lmitchell@mscforensics.com>; Pearson, Mike (mpearson@eberls.com) <mpearson@eberls.com>
Cc: Charles Crawford <Charles@CCMSResorts.com>; Chuck Crawford <Chuck@CCMSResorts.com>; Brenda Bensley <Brenda@CCMSResorts.com>; Ginger Smith <gingersmith@austin.rr.com>; Michael G. Morris <mgmorris@ohmlegal.net>; Jackie DiFiore <jdifiore@ohmlegal.net>; Fred D. Dreiling <fdreiling@ohmlegal.net>
Subject: RE: Mustang Towers Council of Co-Owners, Inc. - DOL - August 25, 2017; Hurricane Harvey - TWIA Claim No. 1027766; TWIA Claim No. 17004145; Lloyds Claim No. 914142-B; Wright National Claim No. 170013416

All adjusters and claim representatives for the Mustang Towers Hurricane Harvey claims,

Please be advised that Fred Dreiling with the law firm Ostarch, Hilmy McCauley in Corpus Christi, Texas is assisting in legal advice in reference to these claims.

You have been asked for a response to the question of whether you have received the Loss Solutions damage estimate for Mustang Towers sent in conjunction with the email below.

Can you please respond to that question by return email.

If you had any problems downloading that report, please let me know so we can help remedy that.

Thank you,

FRED SAMUDIO, SUPERVISING MANAGER
CCMS INC.

OFFICE: 361-749-4141
DIRECT: 361-749-8741
CELL : 361-438-2857
FAX : 361-749-4282

UNIC0078

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If you have received this message in error, please notify the sender immediately by telephone or by electronic mail and delete this message and all copies and backups thereof.

Thank you.

From: Fred D. Dreiling [<mailto:fdreiling@ohmlegal.net>]

Sent: Wednesday, December 13, 2017 1:40 PM

To: Victor Fedosseenko (victorf@pibadjusters.com) <victorf@pibadjusters.com>; Brian Ingles (bingles@twia.org) <bingles@twia.org>; Eric Caves (ekehs@global-indemnity.com) <ekehs@global-indemnity.com>; Alan Harrison (alanharrison@pinncom.com) <alanharrison@pinncom.com>; Mitchell, Lynne (lmitchell@mscforensics.com) <lmitchell@mscforensics.com>; Pearson, Mike (mpearson@eberls.com) <mpearson@eberls.com>

Cc: Charles Crawford <Charles@CCMSResorts.com>; Chuck Crawford <Chuck@CCMSResorts.com>; Brenda Bensley <Brenda@CCMSResorts.com>; Ginger Smith <gingersmith@austin.rr.com>; Fred Samudio <Fred@CCMSResorts.com>; Michael G. Morris <mgmorris@ohmlegal.net>; Jackie DiFiore <jdifiore@ohmlegal.net>

Subject: RE: Mustang Towers Council of Co-Owners, Inc. - DOL - August 25, 2017; Hurricane Harvey - TWIA Claim No. 1027766; TWIA Claim No. 17004145; Lloyds Claim No. 914142-B; Wright National Claim No. 170013416

To All

Please see my e-mail below. I am re-sending this e-mail as we had incorrect e-mail addresses for Lynne Mitchell and Mike Pearson.

My name is Fred Dreiling with the law firm Ostarch Hilmy McCauley in Corpus Christi, Texas. My partner, Mike Morris, handles general legal matters for The Mustang Towers Council of Co-Owners, Inc. ("Mustang Towers") and CCMS. It is my understanding you are handling the insurance claims referenced above. If your claim number is listed incorrectly, or not listed at all, please provide it to me.

Please note that our Firm has not been retained to represent Mustang Towers in connection with the handling, adjustment or settlement of its Hurricane Harvey related claims. We are merely offering general assistance and legal advice. Accordingly, you should feel free to continue to communicate directly with CCMS and Mustang Towers as we know everyone would like to see this matter settled and resolved promptly, fairly and equitably. In this regard, we do not anticipate litigation. We are merely assisting Mustang Towers/CCMS with routine legal advice and assistance in connection with this significant loss.


Mustang Towers has engaged the services of Quinney Holdings, LLC, d/b/a, Loss Solutions in order to prepare a comprehensive estimate of the damages to Mustang Towers caused by the hurricane. Due to the size of the Quinney Holdings/Loss Solutions estimate, photographs and schematics Mustang Towers and CCMS have asked us to assist in transmitting the estimate, photos and schematics to you. Accordingly, my LA will be uploading this information to Dropbox, and sharing the Quinney Holdings, LLC, d/b/a, Loss Solutions material to all of you. That should take place later this afternoon. Please let me know if you do not receive the Dropbox link.

UNIC0079

If you have any questions/comments, please do not call or e-mail me.

Best regards

Fred D. Dreiling
Attorney at Law
Ostarch | Hilmy | McCauley
Wells Fargo Tower
615 North Upper Broadway, Suite 800
Post Office Box 2888
Corpus Christi, Texas 78403-2888
Telephone: (361) 884-1961 Ext. 802
Facsimile: (361) 889-5100
E-Mail: fdreiling@ohmlegal.net

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Description: Description: Description: CollegeLogo

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From: Fred D. Dreiling
Sent: Wednesday, December 13, 2017 1:03 PM
To: 'Victor Fedosseenko (victorf@pibadjusters.com)'; 'Brian Ingles (bingles@twia.org)'; 'Eric Caves (ekehs@global-indemnity.com)'; 'Alan Harrison (alanharrison@pinncom.com)'; 'Lynne Mitchell (lmitchell@mscforsenic.com)'; 'Mike Pearson (mpearson@twia.org)'
Cc: Charles Crawford; Chuck Crawford; Brenda Bensley; Ginger Smith; 'Fred Samudio'; Michael G. Morris; Jackie DiFiore
Subject: RE: Mustang Towers Council of Co-Owners, Inc. - DOL - August 25, 2017; Hurricane Harvey - TWIA Claim No. 1027766; TWIA Claim No. 17004145; Lloyds Claim No. 914142-B; Wright National Claim No. 170013416

Ladies and Gentlemen:

My name is Fred Dreiling with the law firm Ostarch Hilmy McCauley in Corpus Christi, Texas. My partner, Mike Morris, handles general legal matters for The Mustang Towers Council of Co-Owners, Inc. ("Mustang Towers") and CCMS. It is my understanding you are handling the insurance claims referenced above. If your claim number is listed incorrectly, or not listed at all, please provide it to me.

Please note that our Firm has not been retained to represent Mustang Towers in connection with the handling, adjustment or settlement of its Hurricane Harvey related claims. We are merely offering general assistance and legal advice. Accordingly, you should feel free to continue to

UNIC0080


communicate directly with CCMS and Mustang Towers as we know everyone would like to see this matter settled and resolved promptly, fairly and equitably. In this regard, we do not anticipate litigation. We are merely assisting Mustang Towers/CCMS with routine legal advice and assistance in connection with this significant loss.

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If you have any questions/comments, please do not call or e-mail me.

Best regards,

Fred D. Dreiling
Attorney at Law
Ostarch | Hilmy | McCauley
Wells Fargo Tower
615 North Upper Broadway, Suite 800
Post Office Box 2888
Corpus Christi, Texas 78403-2888
Telephone: (361) 884-1961 Ext. 802
Facsimile: (361) 889-5100
E-Mail: fdreiling@ohmlegal.net

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Description: Description: Description: CollegeLogo

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UNIC0081

Robert Soefje

From: Robert Soefje
Sent: Monday, May 14, 2018 3:53 PM
To: Brenda Bensley
Subject: RE: business income loss claim 8-25-17 # 17004145 file # 18271

Afternoon Brenda,

I am checking back in with you, do you have a status of the final costs for Hurricane repairs? Are we still well below the \$4.3 million?

Thank you,

Robert Soefje
BCC-LTD
830-534-7512 Office

From: Brenda Bensley [mailto:Brenda@CCMSResorts.com]
Sent: Sunday, January 21, 2018 5:24 PM
To: Lynn Mitchell <litchell@mscforensics.com>; mrosenfelt@global-indemnity.com; bingles@twia.org; Robert Soefje <roberts@bcc-ltd.com>; Wally Goodman <wgoodman@bordenins.com>; Debbie Johnson <djohnson@bordenins.com>
Cc: Chuck Crawford <Chuck@CCMSResorts.com>; Charles Crawford <Charles@CCMSResorts.com>; Fred Samudio <Fred@CCMSResorts.com>; Sheryl Proctor - Mustang Towers Manager <Manager@MustangTowersPortA.com>
Subject: business income loss claim 8-25-17 # 17004145 file # 18271

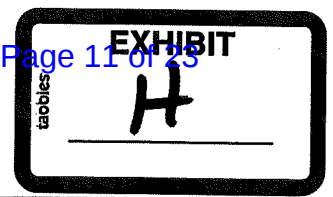
Lynn Mitchell,
Please find attached current financials and payroll journals. Resending OCT and NOV as well.
If you need anything else please let me know.

Brian Ingles,
Can you provide any information on the business income loss claim? We really need an advancement as soon as possible.
Thank you,

Sincerely,
Brenda Bensley

Account Representative
200 S. Alister Suite C
Port Aransas, TX 78373
361-749-4141 (Main Office)
361-749-4282 (Fax)
361-749-8822 (Direct Line)
Email: brenda@ccmspa.com
<http://www.portaransas-texas.com>

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Robert Soefje

From: Robert Soefje
Sent: Monday, June 4, 2018 1:52 PM
To: Brenda Bensley
Subject: Hurricane Harvey Insurance Claim #17004145

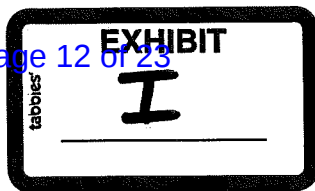
Importance: High

Afternoon Brenda,

I am checking back in with you, do you have a status of the final costs for Hurricane repairs? Are we still well below the \$4.3 million?

Thank you,

Robert Soefje
BCC-LTD
830-534-7512 Office



Robert Soefje

From: Fred Samudio <Fred@CCMSResorts.com>
Sent: Friday, June 8, 2018 8:56 AM
To: Robert Soefje
Cc: Ginger Smith (gingersmithmt702@gmail.com); Charles Crawford; Chuck Crawford; Mitzi Foley; Thelma Jimenez; 'wgoodman@bordenins.com'; Debbie Johnson (djohnson@bordenins.com); Duncan Guignet (duncan@bordenins.com); Sheryl Proctor - Mustang Towers Manager
Subject: RE: MT Claim #17004145; Insured: Mustang Towers Council
Attachments: No Contact Letter to Insured for File # HRV01845.DOC

Mr. Soefje,

Thank you for your letter of June 4, 2018. This is the first request for information Mustang Towers has received from any Global Group (United) representative regarding damage or repairs to the building. We have no record of having received any estimate from you or any inspection or request to inspect the property since our claims were turned in on around August 30, 2017. All we have received are requests for information on income losses and then an advance of approximately \$196,000 on loss of rental income coverage on January 16, 2018. The answers to your current email inquiries are:

1. See most recent TWIA letter and TWIA estimate attached. Mustang Towers does not agree with this estimate and is preparing its own.
2. Stanley Rains is at srains@twia.org
3. We cannot predict with certainty when repairs will be completed because we have not yet received sufficient funds to do so, and we do not yet have an agreed complete scope of work or complete estimate in order to enter into a binding contract with a contractor or contractors. We have made and continue to make emergency repairs.
4. We believe the loss significantly exceeds the deductibles of the Global Group (United) policy. We are in the process of developing a comprehensive scope of hurricane damage and estimating the total final repair cost in order to document the amount of our claim. Meanwhile, attached are documents concerning the storm damage in addition to the TWIA materials.

<https://www.dropbox.com/sh/ollqioy2qyr1p8k/AACb5I-A5xEtNRbwDnMBHLYja?dl=0>

Let me know if you need anything further.

Have a blessed weekend,

**Fred Samudio, Supervising Manager
CCMS Inc.**

**Office: 361-749-4141
Direct: 361-749-8741
Cell : 361-438-2857
Fax : 361-749-4282**

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Thank you.

From: roberts@bcc-ltd.com <roberts@bcc-ltd.com>
Sent: Monday, June 04, 2018 3:38 PM
To: Fred Samudio <Fred@CCMSResorts.com>
Subject: MT Claim #17004145; Insured: Mustang Towers Council
Importance: High

Claim #: **17004145**
Brush Country Claims, LTD File #: **HRV01845**
Insured: **Mustang Towers Council**

The following comments were included:

Mr. Samudio,

Per our conversation today, I am requesting the following information on the claim to date. I was originally working with Brenda Bensley and have been informed she is no longer with Mustang Towers. Attached is my formal contact letter for your records.

1. Please send me the most current copy of TWIA Assessment letter and approved TWIA Estimate.
2. Please provide me with contact information to Stanley Rains with TWIA.
3. What is the projected period of completion for all repairs?
4. Any additional information you have pertaining to the hurricane loss.

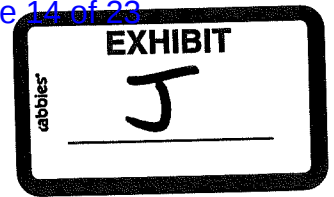
Please let me know if you have any questions.

Thank you,

Robert Soefje
Staff Adjuster
BCC, Ltd.
Phone: (830) 534-7512

The attachments included in this email are:

- *No Contact Letter to Insured for File # HRV01845* (No Contact Letter to Insured for File # HRV01845.DOC)



WILLIAM J. CHRISS, P.C.
of counsel to
The Snapka Law Firm

WILLIAM J. CHRISS, J.D., Ph.D. [History]

Board Certified
Civil Trial Law and
Personal Injury Trial Law
Texas Board of Legal Specialization

606 N. Carancahua St.
Suite 1511
Corpus Christi, Texas
78401
361-884-3330
wjchrisspc@gmail.com

July 3, 2018

United National Insurance Company and Global Indemnity Group Services, LLC
Three Bala Plaza East
Suite 300
Bala Cynwyd, PA 19004 by Fedex and CMRRR

And via their claims address:
United National Insurance Company
Global Indemnity Group, Inc. Claims
P.O. Box 532
Willow Grove, PA 19090

And via email to their representative
Robert Soefje
Staff Adjuster
Brush Country Claims/BCC Ltd.
Roberts@bcc-ltd.com

Re: Insured/Policyholder: Mustang Towers Council of Owners, Inc.
Hurricane Harvey Insurance claims
Company Claim Number: 17004145
Policy Number: MP0677815
Property Address: 6109 Highway 361, Port Aransas, TX 78373, USA

Dear United National Insurance Company and Global Indemnity Group Services, LLC:

We have been hired to represent Mustang Towers Council of Owners, Inc. (hereafter referred to as "Mustang Towers"), your customer and named insured under the above referenced policy. Our client's claim for damage from Hurricane Harvey was delivered to you on or before August 30, 2017. Since that time, Mustang Towers has provided you all documents you have reasonably requested, including much documentation from which you should have determined long ago that substantial benefits are owed under your policies for damage to the buildings and for rental income loss. In fact, you have already paid \$196,623 for income loss from the devastating damage to the building from Hurricane Harvey, *but you have paid or advanced nothing to repair the damage that caused that loss of income*, even though the building is still

Mustang Towers notice letter

July 3, 2018

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damaged and uninhabitable and it has been for over nine months since the storm. Also, although you sent another loss of income benefits check recently for \$135,831, this check has on it the words: "**Balance** of BI payment 8-25-17 to 5-31-18." According to the calculation Mustang Towers sent in, even including the most recent check, your payments thus far total only \$332,454 through May 2018, which is short by over \$100,000 from what was submitted. Even after repeated requests, you continue to refuse to acknowledge that the latest check is tendered unconditionally and without prejudice to our rights to deposit it and still claim that additional amounts are owed for BI thru 5/31/18, and also still claim that additional amounts will continue to be owed beyond 5/31/18. We have repeatedly advised your agents that we need this information before we can deposit, make use of, or distribute the funds, so as of today, it is as if the check had never been sent and the only BI payment received is the initial check for \$196,623. Since your policy limit for business income loss is \$725,000, this leaves an additional \$528,377 available to be collected for income lost.

Your policy also insures the main building of Mustang Towers for losses in excess of a deductible of \$4.397 million up to your building limit of \$11,021,535 (over eleven million dollars). This means that once damage is done to the building in excess of \$4.397 million, you are responsible to pay for that damage until your limit of over \$11 million is exhausted. Your obligation is triggered by damage in excess of the deductible without regard to whether Mustang Towers has any source of reimbursement for that deductible. In this case, TWIA insured Mustang Towers' deductible, but that is a separate matter between Mustang Towers and TWIA. Your obligation to pay has nothing to do with TWIA and what it does or doesn't pay or when; it is triggered by damage in excess of the deductible, not by TWIA paying the deductible. Your obligation to promptly investigate, estimate, and pay for the damage above \$4.397 million was clear as soon as it was clear that the damage to the building was severe enough to exceed the deductible, which should have been obvious to any fair-minded and experienced adjuster or insurance professional soon after the storm. And of course, you have known for some time that TWIA has already determined that the damage exceeded your deductible, even based on an incomplete and partial estimate of necessary repairs.

However, *your claims personnel have never even done an estimate of the damage to the building or any inspection or evaluation by any expert consultants during the 9+ months since the storm. You have done nothing to investigate, estimate, and pay that damage.* And neither you nor your adjusters or other agents has requested from Mustang Towers any proof of loss on the building damage. If you wish to request that a formal proof of loss be filed, please make such request so that Mustang Towers can respond appropriately. To date, none of your agents even asked for any information about the property damage until your adjuster's email of June 4, 2018, **over nine months after the hurricane.** Nonetheless, Mustang Towers promptly responded to that unreasonably late email with the information requested, including that the damage to the building from Hurricane Harvey "significantly exceeds the deductibles of the Global Group (United) policy," that Mustang Towers "does not agree with the estimate done by TWIA and is preparing its own," that Mustang Towers "have made and continue to make emergency repairs," and that

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documentation of the damage, bids thus far received, and emergency repairs already made was attached to that email by including a drop-box link. **That was 30 days ago, and still we have heard nothing from you, no request for additional information, no inspection of the damage, no evaluation by expert damage consultants, not even a visit to the property.**

We have been tasked by our client with pointing out to you the bad faith errors of your handling of these claims, demanding immediate payment of the money owed, and proceeding with a lawsuit to recover those amounts. Our client's patience is at an end and their situation is dire.

According to the expert consultants and contractors that Mustang Towers has now had to retain due to your neglect, the documents you have been provided and the condition of the building itself would place any reasonable adjuster or insurer on notice that the damage to the building will exceed your deductible by millions of dollars, including extensive damage to window and door systems throughout the building, massive roof damage, other damage to the building envelope, and extensive water intrusion and damage to building elements that our continuing investigation estimates will cost a minimum of \$8 million to repair, much or most of which costs were not estimated by TWIA once they determined they exceeded their coverage for the first \$4.397 million. Our preliminary investigation thus far reflects that the building loss from Hurricane Harvey covered by your policy exceeds \$8 million dollars in amount, in addition to amounts owed for loss of income.

Under the facts set forth above, we contend that you have failed to meet the deadlines established in the Texas Insurance Code without good cause, have rejected and failed to pay a claim or a portion thereof without conducting a reasonable investigation with respect to the claim, and have denied coverage for, or refused to pay, a claim when liability has become reasonably clear. We also allege that your conduct has been unconscionable. It has been over nine months since Hurricane Harvey hit, and your policies and Texas law required you to promptly investigate and immediately pay *the full amount* of covered damage without need for supplementation and without the policyholder needing to spend so much of its own time and money doing your job of investigating and quantifying the amount you owe. You failed to meet these requirements and have breached the insurance policy contract. You should have promptly estimated and unconditionally paid the full amount of the loss before your customer was forced to pay out any substantial sums for repairs or investigation. Part of what Mustang Towers paid premiums for was claims service, including prompt investigation, estimating, and adjustment. This was obviously not provided. You should have investigated, understood, and determined the full scope of the damage and necessary repairs and paid for them, so the customer could then select and retain a contractor of its choosing. Instead, you sat around and did nothing, except make a partial advance for rental income loss, while the building damage remained unaddressed. Since you must know what you are obligated to do under your policy and Texas law, this conduct must have been knowing. You have refused to pay income losses even though your liability for them is reasonably clear because you have knowingly miscalculated and underpaid the amounts owed. You have also deprived Mustang Towers of the use of rental income loss

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moneys that you know are owed by continuing to refuse to unconditionally pay even the inadequate sums you have admitted you owe.

Your conduct violates Sections 541.060 and 541.151, et. seq. of the Texas Insurance Code (and therefore the Texas Deceptive Trade Practices Act because it amounts to: 1. failing to attempt in good faith to effectuate a prompt, fair, and equitable settlement of a claim with respect to which the insurer's liability has become reasonably clear; 2. failing to promptly provide to a policyholder a reasonable explanation of the basis in the policy, in relation to the facts or applicable law, for the insurer's failure to pay a claim or offer of a compromise settlement of a claim; 3. failing within a reasonable time to: (A) affirm or deny coverage of a claim to a policyholder; or (B) submit a reservation of rights to a policyholder; 4. refusing, failing, or unreasonably delaying a settlement offer under applicable first-party coverage on the basis that other coverage may be except as may be specifically provided in the policy; and 5. refusing to pay a claim without conducting a reasonable investigation with respect to the claim.

You have failed and refused to pay a loss clearly covered under your policy and refused to even investigate or properly estimate it. Even with respect to the rental income loss, you mishandled that portion of the claim as indicated above and delayed unconditional payment of it long after it was clear the limits of the policy would be owed, thus exacerbating the situation and economic losses at Mustang Towers. Attached is another calculation by Mustang Towers management indicating that the entire \$725,000 in benefits will be owed before the end of August 2018. It is our belief that Texas Insurance Code Article 542.055, et. seq. has been violated, in addition to Chapter 541 and the Texas Deceptive Trade Practices Act. These laws were passed to protect consumers from unfair acts such as yours. Because of your breach of contract and the inadequacy of your investigation, Mustang Towers has had to pick up where you and TWIA left off and determine for itself the full nature and amount of the loss above your \$4.397 million deductible.

We are also constrained to point out that your failure to unconditionally tender even the \$135,831 in lost income you admit you owe us is a separate act of bad faith actionable under the relevant insurance statutes and relevant law.

As a result of the first phase of its investigation, Mustang Towers believes that a minimum of \$8 million will be required to repair the covered building damage, and probably substantially more. Based on all estimates done to date, no more than \$1.2 million (15%) of that sum could possibly represent depreciation, in part because of the partial repairs that have already taken place. It is equally clear from the attached proof that \$634,443.29 is owed to date for loss of rental income, of which only \$196,623 has been unconditionally paid, and it is equally clear that the full policy limit will have been reached before August 31st. Thus, you currently owe \$437,820.29 in loss of income benefits under your policy and will owe the remaining \$90,556.71 in less than 60 days as per the attached calculation.

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Thus, we contend that the entire loss covered under your policy from Hurricane Harvey amounts to a minimum of \$8.725 million, including loss of income. This figure is subject to increase, as your failure to pay to repair the damage continues and as additional damage is incurred or else discovered at Mustang Towers' expense due to your inadequate investigation and adjustment. Our consultants are continuing to examine the building and compile estimates. To date, we estimate this has cost at least \$25,000 in further damages incurred by Mustang Towers that can be recovered from you as a result of your inadequate investigation.

As you know, Texas law (Section 541.060 of the Texas Insurance Code) requires you to "promptly provide to a policyholder a reasonable explanation of the basis in the policy, in relation to the facts or applicable law, for the insurer's denial of a claim or offer of a compromise settlement of a claim." In addition, paragraph D of your form EPB-136 attached to our policy provides that you may make inspections and surveys and "Give (us) reports on the conditions (you) find." So that we may have complete information with which to evaluate our claims, we hereby request that you immediately provide us with all reports, surveys, or other materials reflecting your information concerning the property, the policy, the claim, and why you have handled our claims and damages as you have. This includes the policy, underwriting, claims, and adjusting files on this property or this loss.

After subtracting the \$4.397 million deductible and maximum allowable depreciation (\$1.2 million) from the \$8 million minimum repair cost, the net actual cash value loss that should already have been paid by you for the building damage is, according to our best information and belief, a minimum of \$2,403,000. In addition, Mustang Towers' calculations show that you currently owe an additional \$437,820.29 in current or past due loss of rental income benefits as yet unpaid. This results in a total current loss owed of \$2,840,820.29. We demand that your company immediately and unconditionally pay this amount under your insurance policy: to wit: \$2,840,820.29. You are notified under Section 542A of the Texas Insurance Code that this is the specific amount alleged to be owed at this time under your policy by you as an insurer for damage to or loss of covered property. Again, this figure is subject to increase and our claim will likely be supplemented as additional damages or repair costs are discovered at Mustang Towers' expense due to your inadequate investigation and adjustment, or as additional damages are incurred as a result of your breaches of contract and violations of relevant law.

As a separate matter, you are hereby notified under the Texas Insurance Code and Texas Deceptive Trade Practices Act that an additional \$25,000 may be recovered in consequential damages from your violations of such laws, as well as the total unpaid repair cost of \$3,628,000 and the currently owed loss of income of \$437,820.29 for a total of damages caused by violations of such laws of \$4,090,820.29. Although we are required to calculate and notify you of this amount under such consumer protection laws, our only demand for payment at this time is that you pay the minimum amount currently owed under the policy of \$2,840,820.29.

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Once we receive the \$2,840,820.29 minimum currently owed under the policy, Mustang Towers will complete the repairs thereby represented and expect to be paid a minimum of an additional \$1.2 million to represent the difference between the actual cash value loss and full repair costs, as provided by your policy. We hereby reiterate and notify you of our claim for same under the various provisions of your policy to be paid as and when appropriate. By August 31, 2018, Mustang Towers will also be owed the remaining \$95,556.71 in loss of income benefits and will expect to be paid that sum as well when due, especially since liability for it is already clear and beyond dispute. If you continue to fail and refuse to pay the policy benefits currently owed, we will treat any condition of your policy (including those requiring repairs be performed or claims to be made within a certain time in order to recover depreciation hold-back or loss of income) as permanently breached or made impossible to perform by you, and/or that you have waived or are estopped to assert it, and we will then seek immediate payment of the full amount collectible under the policy, including full repair and replacement cost that will inevitably be incurred due to your breaches and your handling of our claims. Your continued failure to pay amounts where your liability is clear is in bad faith and in material breach of the insurance policy contracts. We have claimed and continue to claim the right to full repair/replacement cost coverage under your policies. Moreover, your continued failures and breaches of contract are expected to cause additional damage and loss beyond those already sustained, if you do not rectify them immediately.

In addition, as of this writing, Mustang Towers has incurred \$18,825 in attorney fees in connection with these claims, calculated by multiplying the number of hours actually worked by its attorney, as of the date of this letter as reflected in contemporaneously kept time records, by an hourly rate that is customary for similar legal services. Be advised that if you continue to fail to honor your payment obligations under the insurance policy, such attorney fees will increase substantially and we will seek all available means to collect Mustang Towers' attorney's fees, damages, and benefits owed.

This notice is sent to you under all relevant provisions of the Texas Insurance Code, including Section 542A, as well as under the Texas Deceptive Trade Practices Act. *You are advised that under Texas law, nothing in this notice provides a basis for limiting the evidence of attorney's fees, damage, or loss we may offer at trial.* **We reserve the right to supplement this demand and supplement any proofs or documentation of loss as our investigation continues.** The demand and claim contained in this notice letter is sent as a supplementation of Mustang Towers' initial notice of claim of August 2017 governed by the Prompt Payment of Claims provisions of the Texas Insurance Code, and as a presentment of amounts owed pursuant to Chapter 38 of the Texas Civil Practice and Remedies Code.

Mustang Towers has been seriously damaged by wind and by ensuing water from wind from Hurricane Harvey far in excess of the deductible of your policy. Your actions (including those of your agents and adjusters) and the continuing denial of, or refusal to pay this claim continue to compound the economic and physical damage sustained from Hurricane Harvey. We reiterate that continued failure to pay all amounts owed will result in substantial additional damages, costs, and

Mustang Towers notice letter

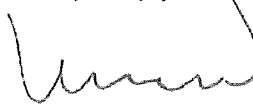
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attorneys' fees for all parties concerned, and that we reserve all rights under the relevant insurance policy and Texas law, including the right to supplement our claims as additional damages are discovered or better quantified in amount.

A copy of this notice has been provided to Mustang Towers, our client, and a copy will be maintained in its files.

Very truly yours

A handwritten signature in dark ink, appearing to read 'W. Chriss', written over a horizontal line.

William J. Chriss

Enclosure: Loss of Income benefits calculation/proof

CC: Mustang Towers
c/o Ms. Ginger Smith, Board President
and CCMS, managing agent
200 S. Alister St.
Suite C
Port Aransas, TX 78373 (and by email)



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November 26, 2018

William J. Chriss
THE SNAPKA LAW FIRM
606 N. Carancahua, Suite 1511
Corpus Christi, Texas 78401

VIA EMAIL

Re: Cause No. 2:18-cv-00355; *Mustang Towers Council of Co-Owners, Inc. v. United National Insurance Company*, pending in the United States District Court, Southern District of Texas, Corpus Christi Division
Our File No.: 18052.113

Dear Mr. Chriss:

Pursuant to the Condominium Association Coverage Form (CP 00 17 06 95) in the subject insurance policy, please be advised that my client, United National Insurance Company is giving written notice/demand for Appraisal. Accordingly, UNIC is designating the following individual to serve as its appraiser:

Randall Taylor
West Fire Appraisal & Professional Services, Inc.
West Fire Construction & Restoration, Inc.
1114 Avenue C
Katy, Texas 77493
Office: (713) 682-2494
Cell: (281) 831-0034
Email: randall@westfireinc.com

Pursuant to the Appraisal provision in the policy, we ask that you appoint and give us notice of your own appraiser so that he/she can contact Mr. Taylor to select an umpire. Be advised that pursuant to the policy the umpire's involvement in the Appraisal will only occur if the two appraisers cannot come to an agreement as to the amount of loss.

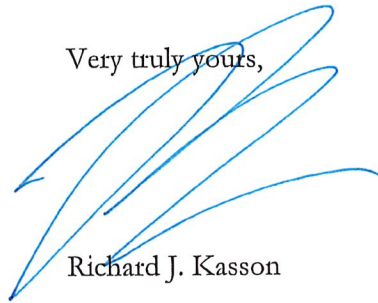
Once an Appraisal Award/Determination of Amount of Loss is agreed to by either our two designated appraisers or through the utilization of the umpire, United National Insurance Company will determine the final amount of the claim and/or whether additional amounts are owed by taking into consideration all coverages, exclusions and all other applicable provisions of the insurance policy. Be advised that neither the insured nor United National Insurance Company is waiving any rights

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under the insurance policy in question by the invocation of Appraisal by United National Insurance Company.

Based on our teleconference today and email exchanges, we have been made aware that the insured/Plaintiff will not agree and/or is refusing to participate in the appraisal process as set forth in the policy; therefore, we will be filing a Motion to Compel Appraisal in the very near future so this issue can be addressed by the Court. As always, should you have any questions please do not hesitate to contact me.

Very truly yours,



Richard J. Kasson

RJK/rmm

cc: Randall Taylor, *via email*

Rebecca Aduddell

From: William Chriss <wjchrisspc@gmail.com>
Sent: Monday, November 26, 2018 2:16 PM
To: Richard Kasson
Cc: Krystle Martinez; Rebecca Aduddell; Rose Madrigal
Subject: Re: Mustang Towers check
Attachments: image001.png

Thank you for the clarification on the check, Richard. Mustang Towers will proceed to deposit it. A couple of clarifications on my side are that my client is not refusing to do anything. It is merely our position that we are not required to incur the expense and prejudice of the appraisal process at this late date, a question that I understand will ultimately be determined by the court. Also, my letter of November 14th was intended to reflect that no proof of loss had been requested for the fourteen months prior to Ms. Willkinson's letter this month. I did receive that letter and a proposed proof form on or about November 5th when you emailed them to me. I will let you know what I find out about mediation dates. Thanks.

-Bill

William J. Chriss, J.D., Ph.D. [history]
Board Certified Civil Trial Law and Personal Injury Trial Law
Texas Board of Legal Specialization

THE SNAPKA LAW

FIRM

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On Mon, Nov 26, 2018 at 11:54 AM Richard Kasson <RKasson@gcaklaw.com> wrote:

Also, please provide a signed proof of loss as we discussed. I believe your 11/14 letter mentions that no POL has been presented, but that is not the case. One was previously forwarded to your office at the time Kate Wilkinson sent her latest letter to you.